VZCZCXRO4929 OO RUEHBC RUEHBI RUEHCI RUEHDBU RUEHDE RUEHKUK RUEHLH RUEHPW RUEHROV DE RUEHNE #1946/01 1141205 ZNY CCCCC ZZH O 241205Z APR 07 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 5096 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNISL/ISLAMIC COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 6027 RUEHLO/AMEMBASSY LONDON 3471 RUEHMO/AMEMBASSY MOSCOW 1985 RUEHFR/AMEMBASSY PARIS 1130 RUEHKO/AMEMBASSY TOKYO 4868 RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 4500 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 6790 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 001946

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E.O. 12958: ECL: 04/24/2017
TAGS: PGOV PREL PTER PHUM PINR SCUL KDEM KISL IN
SUBJECT: NO CLEAR LEADER EMERGES FROM THE FOURTH PHASE OF
THE UTTAR PRADESH ELECTION

REF: A. NEW DELHI 1915

- ¶B. NEW DELHI 1699
- ¶C. NEW DELHI 1675
- ¶D. NEW DELHI 1508

Classified By: Political Counselor Ted Osius for reasons 1.4 (B,D)

11. (C) Summary: The fourth phase of the contentious Uttar Pradesh (UP) elections came off without a hitch in a remote area of the state bordering on Nepal, which has been a stronghold of the ruling Samajwadi Party (SP). An influential caste leader from the area split from the SP and launched his own party to challenge SP dominance. Exit polls indicate, however, that the SP met the challenge and was the clear winner in this phase, with up to 29 OF 57 seats contested. While most polls show the BSP in second place, some claim the BJP is ahead. Despite the projected SP victory in this phase, most observers continue to agree that it will slip to second or third place when the state-wide results are announced and that the BSP will emerge as the state's largest party. Although Prime Minister Manmohan Singh and Priyanka Gandhi campaigned for Congress, no one is predicting their party's revival. Congress fortunes are slipping, and there is no indication that the UP election will end the slide. This is prompting Delhi rumor mills to go into overtime, with predictions that UPA allies are planning to leave after the UP elections and bring down the government. The rumors are fed by repeated Communist threats to withdraw support and by alleged meetings between regional party leaders said to be plotting against the UPA. Some rumors project that disgruntled regional parties will side with the BJP, others claim they are plotting with the Communists. Should UP Chief Minister Mulayam Singh Yadav (perhaps in collusion with the BJP) return to power in Lucknow, he can be expected to support gathering efforts to undermine the UPA. Such political threats will make the UPA even more cautious on the nuclear deal and economic reforms. End Summary.

More Kudos for the Election Commission

12. (U) On April 23, 922 candidates contested for 57 Legislative Assembly seats in the fourth phase of the UP election. The area, in East UP along the Nepal border, has a 35 percent Muslim population, while 15 percent belong to the Kurmi caste. Influential Kurmi leader Beni Prasad Verma split from the ruling Samajwadi Party (SP) to form his own grouping, the Samajwadi Kranti Dal (SKD), after protracted sparring with SP leader Mulayam Singh Yadav. Verma ran a slate of Kurmi and Muslim candidates, splitting the once-solid SP vote. The election, in violent and corruption-ridden UP, has gone off to date without incident, winning warm praise for the Election Commission. There were 15.5 million registered voters in the fourth phase, but only 46 percent cast their ballots. Observers blamed the low turnout on a large population of low-caste migrant workers who take little or no interest in politics. Press reports indicate that as many as 118 of the 922 candidates had felony charges pending against them. There are three remaining phases in the Election, which will conclude on May 8.

Polls Show SP Ahead

 $\underline{\ }$ 3. (U) The exit polls indicate that Verma's SKD did not split the SP as expected. As a result, the SP is projected to win a clear majority of the 57 seats. The projections are as follows:

Samajwadi Party - 25-29 seats

BSP - 13-17 seats

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BJP - 10-14 seats

Congress - 1-5 seats

14. (U) While the SP is the clear projected winner in this phase, pollsters agree that it will suffer a loss in the overall state-wide results. There is some disagreement regarding BJP prospects, with some polls showing the BJP in the number two slot. The latest NDTV projections for the state as a whole are as follows:

BSP - 131-141 seats (up from 98)

Samajwadi Party - 109-119 (down from 145)

BJP - 91-101 (down from 107)

Congress -33-43 (up from 25)

Polls Should be Banned

15. (U) The Election Commission is clearly fed up with the media exit polls and has petitioned the Supreme Court to ban them, or at the very least delay their release until all polling is completed. The EC argued that in the just-concluded Punjab election, television stations were broadcasting exit poll results while voters were still at the polls. In its presentation, the EC pointed out that "the methodology of the opinion/exit polls varies from organization to organization. As a result, such exercises are always off the mark and affect free and fair elections." In its reply, the courts stated that, at present, there is no law on the books that bans exit polling, and it is too late to draft legislation that would apply to the UP contest.

Congress Defends Rahul - Attacks Mulayam

16. (U) Reeling from criticism of Rahul Gandhi on the UP campaign trail (Reftel A), the party brought Prime Minister

Manmohan Singh and Rahul's sister Priyanka Vadra on to the hustings. Both issued spirited defenses of Rahul. The Prime Minister pointed out that the UPA government has generously provided development funds to the SP government in UP, which fails to utilize them. Singh noted that "had the money been utilized properly and the Central schemes implemented in right earnest, Uttar Pradesh would have presented a different picture of development and progress." For example, he pointed out, the GOI has provided funding to hire 200,000 new teachers, and build 25,000 new schools and 100,000 new classrooms, but there is nothing on the ground to show how the money has been spent. PM Singh ridiculed Mulayam for instead simply giving away money to the "unemployed." Emphasizing that the common man in UP does not feel secure because of Mulayam's "goonda raj (criminal rule)," the PM maintained that "Only the Congress is capable of restoring the rule of law in Uttar Pradesh."

17. (U) Addressing Mulayam's criticism of Rahul as a "political novice," Priyanka noted that "No one should write off anyone in politics. My brother will prove Mulayam wrong with time and in days to come." Priyanka also assailed critics of Rahul's statements on the division of Pakistan, intoning that "he knows history very well." In Lucknow, Bollywood film starlet and UP native Celina Jaitley told a rally that she considers Rahul "a born leader," and expressed optimism that when he "emerges as the undisputed leader of India, the fate of the country would change."

All Eyes Are on UP

 $\underline{\$}8.$ (U) Writing in the Asian Age, disgraced former Minister NEW DELHI 00001946 003 OF 004

for External Affairs Natwar Singh intoned that "The eyes of the country are on UP. The outcome will decide the fate of the Manmohan Singh government and also who the next President of India will be." The importance of the current election was underscored by a campaign rally in Allahabad at which former Tamil Nadu Chief Minister Jayalalitha expressed strong support for Mulayam and the SP. Joining her on the podium were the former Chief Ministers of Andhra Pradesh, Karnataka and Haryana - N. Chandrababu Naidu, S. Bangarappa and O.P. Chautala. At the rally, Bangarappa, who is currently an SP MP, maintained that if the SP returns to power in Lucknow, it will portend a change of government in New Delhi. Attacking Congress for mis-management of the nation's affairs, Bangarappa said that it is "imperative" to form a third front government. He urged the state's voters to work to unseat the UPA after the UP election is concluded. OP Chautala, who heads the Indian National Lok Dal, claimed that the assembled politicians were already working on the formation of a "third front," and that "UP would decide the future of the country's politics.

The Communists Grow Restive

19. (U) With the UP election providing the background and impetus, the leadership of both the CPI and the CPI(M) again expressed unhappiness with the UPA government and threatened to withdraw and join a "third front." CPI General Secretary AB Bardhan noted that "the Left parties will have to do a collective rethink on the support extended to the UPA after the UP Assembly elections." An editorial in the CPI(M) journal "People's Democracy" warned that "the government should not take the support of the Left parties for granted by posing the threat of the BJP." It argued that the BJP resurgence was due to the "political and economic measures which create the ground for the communal forces to feed on popular discontent." The article specifically criticized the UPA for "going ahead with negotiations with the United States for nuclear cooperation despite opposition at home, and to its being silent on the hostile stance taken by the US on the transfer of sensitive technology."

110. (C) There is a growing perception among the political cognoscenti that Congress and the UPA are in deep trouble. The poor Congress electoral performance in a string of elections, coupled with the party's poor performance on the campaign trail in UP, have spurred rumors that the UPA government may be shaky. Delhi rumor mills are pulsing with speculation regarding purported meetings of powerful regional politicians discussing defections from the UPA that could bring down the government and bring on a new national election. The appearance of regional politicians at the SP rally in Allahabad and the vociferous backbiting of the Left parties will feed the rumor mills. There is a growing feeling that UP has become a test for Congress and that it is not showing the skills, program or popular following required to keep together a contentious alliance and meet the growing BJP challenge. Congress is a virtual non-player in UP and has done little to revive in this election. Should Mulayam (possibly in an alliance with the BJP) come back to power in Lucknow, he can be expected to throw down the gauntlet and work with opposition parties to challenge the UPA in Delhi. An increasingly desperate Congress can only hope that Mayawati emerges as a clear front-runner or that a "hung assembly" provides the UPA with an opportunity to declare "President's rule" in the troubled state and keep Mulayam and the BJP at bay for a while longer. This could have a deleterious affect on nuclear negotiations, economic reforms and other major bilateral initiatives.

111. (U) Visit New Delhi's Classified Website:

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(http://www.state.sgov.gov/p/sa/newdelhi/)
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